

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 98-356

May 21, 1998

PUBLIC UTILITIES COMMISSION
Regarding Provision of
Payphone Service in Maine

NOTICE OF INQUIRY

WELCH, Chairman; NUGENT and HUNT, Commissioners

I. SUMMARY

In this Inquiry we will determine the state of the competitive payphone market in Maine and develop information regarding the possible need for public interest payphones (PIPs).

II. BACKGROUND

Section 276(b)(2) of the Telecommunications Act of 1996 (TelAct) instructed the Federal Communications Commission (FCC) to determine whether "public interest payphones, which are provided in the interest of public health, safety, and welfare, in locations where there would not otherwise be a payphone" should be maintained.

The FCC addressed the issue of PIPs in its September 20, 1996, Order in CC Docket No. 96-128 (Payphone Order), particularly in Paragraphs 264 through 286. The FCC ordered each state to evaluate whether it must take any measures to ensure that payphones serving important public interests will continue to exist in light of the changes ordered by the TelAct. The FCC further directed each state to evaluate whether it must take any measures to ensure the existence of PIPs and left it to the discretion of the individual states as to how to fund a PIP program so long as the funding mechanism fully and equitably distributes the cost of such a program and does not involve the use of subsidies prohibited by Section 276(b)(1)(B) of the TelAct.

III. INQUIRY TO DETERMINE WHETHER EFFECTIVE COMPETITION IN THE PAYPHONE INDUSTRY IS PRESENT IN MAINE.

The FCC adopted the following definition for a PIP in paragraph 282 of its Payphone Order: a payphone which (1) fulfills a public policy objective in health, safety, or public welfare, (2) is not provided for a location provided with an

existing payphone contract, and (3) would not otherwise exist as a result of the operation of the competitive marketplace.

Interested persons are asked to state what considerations or evidence, including quantitative evidence, leads them to believe that subsidized PIPs are either necessary or unnecessary in the state of Maine. Further, if possible, suggest what indicators might be used to determine the geographic location and number of PIPs (e.g., highway traffic problems, income data by census block [perhaps cross referenced with measures of existing competitive payphones]). We also seek comment on approaches and standards that have been adopted or considered in other states, and the applicability of such approaches in Maine.

In addition, incumbent local exchange carriers and all payphone providers with more than 10 payphones within Maine must provide the following information:

1. How many payphones did your company have in Maine on March 31 of each of the past three years (1996-1998)? Please provide this information broken out by exchange or municipality.

2. What is the coin rate for a local call at each of your payphones? If this amount differs at various payphones, give the aggregate count of payphones charging each amount. Has the rate changed in the past year?

3. What criteria does your company employ in deciding whether to remove any existing payphones?

4. Please provide a list of the locations of all payphones that have been removed since March 31, 1996.

5. Please provide a list of all payphones that have been identified for removal in the next 36 months.

IV. CONCLUSION

Written responses to the questions raised in this Inquiry and any other comments shall be filed with the Administrative Director no later than June 15, 1998.

Should the Commission, after these filings, determine that PIPs are necessary, then a subsequent round of comments and reply comments will be sought, likely in the context of a rulemaking.

A copy of this Order will be sent to all providers of payphone service in Maine.

Dated at Augusta, Maine this 20th day of May, 1998.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
Nugent

COMMISSIONER ABSENT: Hunt